

**PERFORMANCE AUDIT OF THE
DIVISION OF DEVELOPMENTAL
DISABILITIES IN THE
DEPARTMENT OF SOCIAL AND
HEALTH SERVICES**

**PRELIMINARY SCOPE AND
OBJECTIVES**

MAY 22, 2002



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND REVIEW
COMMITTEE

AUDIT TEAM

John Woolley, Project Lead

Kendra Dahlen
Rakesh Mohan

LEGISLATIVE AUDITOR

TOM SYKES

Joint Legislative Audit & Review Committee
506 16th Avenue SE
Olympia, WA 98501-2323

(360) 786-5171
(360) 786-5180 Fax

Website: <http://jlarc.leg.wa.gov>
e-mail: neff_ba@leg.wa.gov

SUMMARY

The 2002 Supplemental Operating Budget mandates a performance audit of the Division of Developmental Disabilities (DDD) within the Department of Social and Health Services (DSHS). Governor Locke's veto action on JLARC's budget reduced the resources available to conduct the audit, requiring an immediate focus on key policy issues. Accordingly, initial audit review will focus on a fundamental issue facing DDD: how the Division manages its Home and Community-Based Services waiver (CAP waiver), the source of federal match for state expenditures. Comparisons with other parts of DSHS that manage waivers will be included, as will comparisons with other states. In addition, a complete "picture" of services provided to Division clients will be drawn—regardless of the source of funds or organization providing the services. Finally, a methodology will be developed to assist in comparing caseworker workloads in Washington State to other states.

BACKGROUND

The 2001-2003 Operating and Capital Budgets contained three separate mandates for JLARC analyses related to the Division of Developmental Disabilities: analysis of caseload-staffing issues, analysis of the current value and uses—and alternative uses—of the real property of the Residential Habilitation Centers (RHCs), and JLARC's analysis of the high school transition program.

JLARC's analysis of caseloads and case staffing found substantial problems with the information the Division provides to the Legislature for budgeting purposes: client counts are inaccurate and clients who are not eligible for services are receiving them. These findings pointed to the need for a broader performance audit of the Division.

The 2002 Supplemental Operating Budget provides funding and direction for this broader audit, while refocusing the resources originally devoted to the study of the high school transition program. No changes were made to the separate analysis of the value and uses of the RHCs.

STUDY SCOPE

The proviso in the 2002 Supplement Budget contains a broad mandate for this performance audit. However, because of the Governor's veto of JLARC's budget, the study scope must necessarily be narrowed.

This JLARC study will focus on the Division's performance in managing its federal "waiver." This waiver allows the Division to provide community-based services (as opposed to services based in institutions—the RHCs) and receive federal financial participation in the provision of these services.

Because of the amount of federal funding (\$406 million for the biennium in Community Services), and the lawsuits Washington State faces in the provision of these services, this is a particularly critical fiscal and policy area. Since most services provided by the Division are included as waiver services, the performance audit will still be able to address many of the issues of legislative concern and importance.

STUDY OBJECTIVES

- (1) Explain the nature of DDD services and the funding sources for these services. Describe all services and how clients become eligible for these services, and how this eligibility might change over the course of a client's life. Included will be an explanation of the assessment process, how clients become "state only," "waiver," or "personal care," and the distinguishing characteristics of "waiver" clients. Comparisons with other parts of DSHS, in particular how decisions are made on the management of waiver services, will be included. Costs associated with services provided by other parts of DSHS or other parts of government will be analyzed to develop a "total cost" description.
- (2) Evaluate the Division's use of the Home and Community-Based waiver. Review the recent (2002) federal audit of the waiver, analyze its implications, and compare its findings to findings in other states. Review and analyze the Department's responses to the federal audit, comparing proposed strategies to address federal findings to those employed in other states and other parts of DSHS. Analyze the potential legal and fiscal impacts of waiver audits and the Division's responses.
- (3) Analyze the Division's caseload ratios in comparison with other states. Determine how to ensure comparisons are valid, and develop alternative comparisons if appropriate.

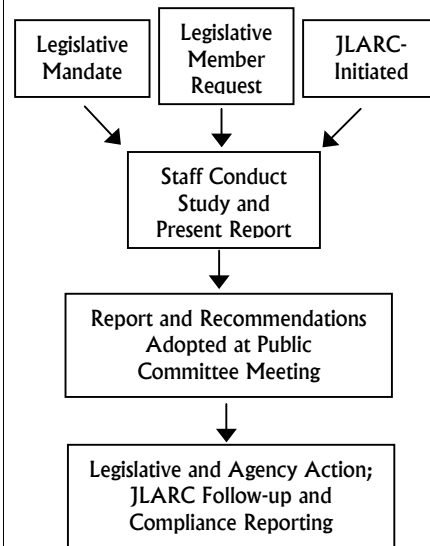
TIMEFRAME FOR THE STUDY

Interim findings are to be submitted to the fiscal committees of the Legislature by December 1, 2002, with a final report due by June 30, 2003.

JLARC STAFF FOR THE STUDY

John Woolley	(360) 786-5184	woolley_jo@leg.wa.gov
Kendra Dahlen	(360) 786-5186	dahlen_ke@leg.wa.gov
Rakesh Mohan	(360) 786-5179	mohan_ra@leg.wa.gov

JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources: For example:
 - Is JLARC the most appropriate agency to perform the work?
 - Would the study be nonduplicating?
 - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?

